

RECORDATION NO. 25497 FILED

MAR 15 '05

1-43 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL
URBAN A. LESTER

March 14, 2005

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Mortgage, dated as of March 15, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Debtor:	Babcock & Brown Rail Funding LLC 1 Dag Hammarskjold Plaza 885 Second Avenue New York, NY 10017
[Secured Party:	Bayerische Hypo-Und Vereinsbank AG, Agent FPA 4 Lease/Asset Finance Am Tucherpark 1 (FPA) 80538 Munich Germany]

Mr. Vernon A. Williams
March 15, 2005
Page Two

A description of the railroad equipment covered by the enclosed document is:

150 centerbeam flatcars AOK 29000 –AOK 29149

A short summary of the document to appear in the index is:

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

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EXECUTION COPY

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF MORTGAGE

Memorandum of Mortgage, made and entered into as of March 15, 2005 between BABCOCK & BROWN RAIL FUNDING LLC (the "Debtor") and BAYERISCHE HYPO-UND VEREINSBANK AG, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "Secured Party"). Terms used in this instrument have the meanings assigned thereto in the Amended and Restated Security Agreement dated as of October 18, 2002 (as supplemented, including by Security Agreement Supplement No. 18 dated the date hereof, the "Security Agreement") between the Secured Party and the Debtor.

WITNESSETH:

The undersigned and the Secured Party have entered into the Security Agreement, by which the Debtor has granted a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each lease referred to on Exhibit B attached hereto to the Secured Party in order to secure the Debtor's performance of its obligations as described in the Security Agreement.

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

BABCOCK & BROWN RAIL FUNDING LLC

By 

Name: Ross Sullivan

Title: Vice President

STATE OF CALIFORNIA)
) ss.:
COUNTY OF SAN FRANCISCO)

On the 15th day of March in the year 2005 before me personally came Ross Sullivan to me known, who, being by me duly sworn, did depose and say that he resides at 1090 Butterfield Road, San Anselmo, CA 94960; that he is the Vice President duly appointed of Babcock & Brown Rail Funding LLC, the limited liability company described in and which executed the above instrument; and that he signed his name thereto by authority of the officers of said limited liability company.

Heidi Wagner
Notary Public

[Notarial Seal]



Memorandum of Mortgage

**Exhibit A
to Memorandum of Mortgage**

EQUIPMENT

Lease #	# Cars	Year Built	Description	Reporting Marks	Casualty Marks
1	150	2004	73' Centerbeam Flatcars with riserless deck, AAR Car Type F483, 286,000 lbs. GRL, manufactured by TrentonWorks Limited	AOK 29000-29149, inclusive.	None

Exhibit B
to Memorandum of Mortgage

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Lease #

1. Lease Agreement made as of March 1, 2002, by and between Greenbrier Leasing Corporation and BC Rail Partnership, to the extent the same relates to the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Schedule No. 5 to Lease Agreement made as of February 1, 2004, by and between Greenbrier Leasing Corporation and BC Rail Partnership.

Memorandum of Lease Agreement and Schedule No. 5 thereto made and entered into as of February 1, 2004, by and between Greenbrier Leasing Corporation and BC Rail Partnership.

Bills of Sale dated March 31, 2004, April 15, 2004 and April 29, 2004, from TrentonWorks Limited to Greenbrier Leasing Corporation, and each Certificate of Acceptance executed by Greenbrier Leasing Corporation in relation to the railcars identified in such Bills of Sale.

Certificate of Acceptance dated August 5, 2004 executed by BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Bill of Sale dated February 28, 2005 from Greenbrier Leasing Corporation to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Purchase Agreement [GLC] dated as of February 28, 2005, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, to the extent the same relates to the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Assignment of Lease Payments, dated as of February 28, 2005, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Assignment and Assumption Agreement, dated as of March 15, 2005, between Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Notice and Acknowledgment dated March 9, 2005, made by Greenbrier Leasing Corporation and Babcock & Brown Rail Funding LLC to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Notice Pursuant to Notice and Acknowledgment dated March 15, 2005, made by Babcock & Brown Rail Funding LLC and Greenbrier Leasing Corporation to BC Rail Partnership, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Warranty Assignment [BC Rail] dated as of March 15, 2005, between Greenbrier Leasing Corporation, as assignor thereunder, and Babcock & Brown Rail Funding LLC, as assignee thereunder, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Manufacturer's Consent dated March 15, 2005, made by Trenton Works Limited to Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Railcar Service Agreement dated as of February 28, 2005, between Greenbrier Management Services, LLC and Babcock & Brown Rail Funding LLC, in respect of the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Letter Agreement dated February 28, 2005 from Babcock & Brown Rail Funding LLC addressed to Greenbrier Leasing Corporation, in respect of the price per railcar for the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Side Letter dated March 15, 2005 from Greenbrier Leasing Corporation addressed to Babcock & Brown Rail Funding LLC, in respect of the original equipment cost for the Equipment described under the caption "Lease # 1" in Exhibit A hereto.

Together with all substitutions, replacements and renewals of the property above described, and all property which shall hereafter become physically attached to or incorporated in the property above described, whether the Debtor now has rights therein or such rights shall hereafter be acquired by it.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

3/15/05



Robert W. Alvord